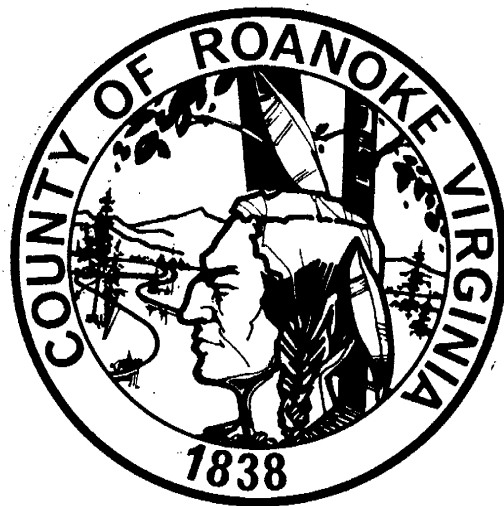


Water and Sewer Funds



Water and Sewer Funds

We continue to look for ways to improve service to the citizens of Roanoke County and beyond. Recent droughts, the cost of developing new sources of supply, and the cost of wastewater treatment have convinced Roanoke County officials that a truly regional approach to these challenges is needed. For the past year and a half, Roanoke County has been negotiating with the City of Roanoke to establish a new water and wastewater authority to serve Roanoke Valley citizens. On July 1, 2004, the water and wastewater operations of the City of Roanoke and Roanoke County were officially consolidated as the Western Virginia Water Authority, an incorporated public body independent of local government. As such, the water and sewer funds are no longer a part of the Roanoke County annual budget and appropriations.

This joint utility venture combined the two localities' existing assets, personnel and billing systems. When the Authority became operational, the County transferred approximately \$28 million and 68 employees. The City likewise transferred personnel and assets to the Authority.

While this makes the City and County operations more efficient, the move does impact the fiscal year 2004-2005 budget. In the past, some County departments have performed services for the County Utility Department and have been reimbursed for their work. Water and Sewer fund transfers to general county operations for the services provided will no longer be made. This elimination of inter-fund transfers will cost General Fund operations approximately \$315,000 that will need to be offset against new revenues. However, this cost is small when you consider the long term benefits that the Authority provides water and sewer customers.

The regional Water Authority brings the most water with reasonable rates and excellent service to both Roanoke City and Roanoke County. By sharing multiple water sources, both jurisdictions have better drought protection and emergency backup.

Water Fund Revenue Summary

	Actual FY 2003	Budget FY 2004	Adopted FY 2005	Increase (Decrease)
Water Operations:				
Interest Income	\$ 203,345	\$ 740,000	\$ -	\$ (740,000)
Water Fees	7,975,284	8,557,727	-	(8,557,727)
Connection Fees	64,806	150,000	-	(150,000)
Contributed Capital	-	-	-	-
Offsite Facility Fees	1,182,012	756,563	-	(756,563)
Contributions	351,741	-	-	-
Transfers From:	1,633,350	-	-	-
Other	1,951,234	-	-	-
Total Water Operations	\$ 13,361,772	10,204,290	-	(10,204,290)
Rate Stabalization:				
Interest Income	223,724	-	-	-
Net Appreciation in Fair Value	135,585	-	-	-
Total Rate Stabalization	359,309	-	-	-
Water Surplus Revenue:				
Beginning Balance	-	6,359,765	-	(6,359,765)
Transfer from Water Operations	26,837	275,533	-	(275,533)
Total Water Surplus Revenue	26,837	6,635,298	-	(6,635,298)
Water Surplus:				
Transfer from Water Operations	972,537	-	-	-
Total Water Surplus	972,537	-	-	-
Water Repair and Replacement:				
Miscellaneous Revenue	164,269	-	-	-
Transfers From:	617,080	1,210,800	-	(1,210,800)
Beginning Balance	-	-	-	-
Total Water Repair & Replacement	781,349	1,210,800	-	(1,210,800)
Water Debt Service Reserve:				
Interest Income	119,741	-	-	-
Net Appreciation in Fair Value	2,936	-	-	-
Total Water Debt Service Reserve	122,677	-	-	-
Water Bond Interest:				
Interest Income	14,689	-	-	-
Total Water Bond Interest	14,689	-	-	-
Water Old Debt Fund:				
Transfer from Water Operations	-	90,470	-	(90,470)
Total Water Old Debt	-	90,470	-	(90,470)
Total Water Fund Revenues	15,639,170	18,140,858	-	(18,140,858)
Unreserved Retained Earnings-				
Beginning Balance	45,958,239	47,985,926	-	(47,985,926)
Total Water Fund Revenue and Retained Earnings	\$ 61,597,409	\$ 66,126,784	\$ -	\$ (66,126,784)

Water Fund Expenditure Summary

	Actual FY 2003	Budget FY 2004	Adopted FY 2005	Increase (Decrease)
Water Operations:				
Allocated Costs	\$ 552,584	\$ 571,662	\$ -	\$ (571,662)
Water Operations	3,801,538	979,307	-	(979,307)
Water Maintenance	990,795	1,114,735	-	(1,114,735)
Water Treatment Plant	1,528,653	1,502,314	-	(1,502,314)
Debt Service	3,242,674	4,840,393	-	(4,840,393)
Internal Service Transfers	179,876	179,876	-	(179,876)
Intrafund Transfers	1,616,454	916,003	-	(916,003)
Unappropriated Balance	-	100,000	-	(100,000)
Total Water Operations	<u>11,912,574</u>	<u>10,204,290</u>	<u>-</u>	<u>(10,204,290)</u>
Rate Stabilization	215,407	-	-	-
Water Surplus Revenue:	-	6,635,298	-	(6,635,298)
Water Surplus:	26,836	-	-	-
Water Repair and Replacement	1,230,617	1,210,800	-	(1,210,800)
Water Capitalized Interest	-	-	-	-
Water Debt Service Reserve	187,326	-	-	-
Water Bond Interest	38,723	-	-	-
Water Old Debt Fund	<u>-</u>	<u>90,470</u>	<u>-</u>	<u>(90,470)</u>
Total Water Fund Expenditures	13,611,483	18,140,858	-	(18,140,858)
Unreserved Retained Earnings- Ending Balance	<u>47,985,926</u>	<u>47,985,926</u>	<u>-</u>	<u>(47,985,926)</u>
Total Water Fund Expenditures and Retained Earnings	<u>\$ 61,597,409</u>	<u>\$ 66,126,784</u>	<u>\$ -</u>	<u>\$ (66,126,784)</u>

Sewer Fund Revenue Summary

	Actual FY 2003	Budget FY 2004	Adopted FY 2005	Increase (Decrease)
Sewer Operations:				
Interest Income	\$ 100,425	\$ 300,000	\$ -	\$ (300,000)
Sewer Fees	4,891,346	5,606,639	-	(5,606,639)
Connection Fees	9,205	562,500	-	(562,500)
Contributed Capital	-	-	-	-
Offsite Facilities	531,736	-	-	-
Contributions	403,224	-	-	-
Transfers from:				
Surplus	-	-	-	-
Sewer Interfund Borrowing	-	-	-	-
Sewer Repair & Replacement	618,767	-	-	-
Joint Wastewater System	74,158	-	-	-
Sewer Capital	-	-	-	-
Other	2,783	-	-	-
Total Sewer Operations	<u>6,631,644</u>	<u>6,469,139</u>	<u>-</u>	<u>(6,469,139)</u>
Sewer Repair & Replacement:				
Transfers from:				
Sewer	-	500,000	-	(500,000)
Surplus	380,000	-	-	-
Other	119,752	-	-	-
Total Sewer Repair/Replacement	<u>499,752</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Sewer Surplus Revenues:				
Transfer from Sewer Operating	849,124	342,444	-	(342,444)
Beginning Balance	-	2,570,328	-	(2,570,328)
Total Sewer Surplus Revenues	<u>849,124</u>	<u>2,912,772</u>	<u>-</u>	<u>(2,912,772)</u>
Joint Wastewater System Expansion:				
Transfer from Sewer	54,748	-	-	-
Transfer from Surplus	-	-	-	-
Total Joint Wastewater System	<u>54,748</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Sewer Fund Revenues	<u>8,035,268</u>	<u>9,881,911</u>	<u>-</u>	<u>(9,881,911)</u>
Unreserved Retained Earnings-				
Beginning Balance	<u>32,715,758</u>	<u>33,185,197</u>	<u>-</u>	<u>(33,185,197)</u>
Total Sewer Fund Revenues and Retained Earnings	<u>\$ 40,751,026</u>	<u>\$ 43,067,108</u>	<u>\$ -</u>	<u>\$ (43,067,108)</u>

Sewer Fund Expenditure Summary

	Actual FY 2003	Budget FY 2004	Adopted FY 2005	Increase (Decrease)
Sewer Operations:				
Allocated Costs	\$ 367,848	\$ 381,108	\$ -	\$ (381,108)
Sewer Operations	2,883,519	1,582,243	-	(1,582,243)
Sewer Maintenance	868,630	1,073,828	-	(1,073,828)
SSE/R	570,340	646,167	-	(646,167)
Debt Service and Depreciation	826,355	1,771,010	-	(1,771,010)
Internal Service Transfers	72,339	72,339	-	(72,339)
Transfers to:				
Sewer Joint Wastewater	54,748	-	-	-
Sewer Repair & Replacement	-	-	-	-
Sewer Surplus Revenues	849,124	842,444	-	(842,444)
Unappropriated Balance	-	100,000	-	(100,000)
Total Sewer Operations	6,492,903	6,469,139	-	(6,469,139)
Sewer Repair and Replacement:				
Green Valley Sewer	11,626	-	-	-
Huntridge Off-Site Sewer	165,000	-	-	-
Roselawn Sanitary Sewer	(18,497)	-	-	-
The Orchards Line Extension	112,011	-	-	-
Stable Road Sewer Line Extension	75,259	-	-	-
SSE/R-Repair & Replacement	273,369	500,000	-	(500,000)
Reserve for Capital	-	-	-	-
Unappropriated Balance	-	-	-	-
Total Sewer Repair/Replacement	618,768	500,000	-	(500,000)
Sewer Surplus Revenues:				
Unappropriated Balance	-	2,912,772	-	(2,912,772)
Transfers to Operating	-	-	-	-
Transfers to Sewer R/R	380,000	-	-	-
Total Sewer Surplus Revenues	380,000	2,912,772	-	(2,912,772)
Joint Wastewater System Expansion:				
Sewage Collection System	74,158	-	-	-
Other	-	-	-	-
Total Joint Wastewater System	74,158	-	-	-
Total Sewer Fund Expenditures	7,565,829	9,881,911	-	(9,881,911)
Unreserved Retained Earnings- Ending Balance	33,185,197	33,185,197	-	(33,185,197)
Total Sewer Fund Expenditures and Retained Earnings	\$ 40,751,026	\$ 43,067,108	\$ -	\$ (43,067,108)